

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)	
)	Case No. 05-63146
THE QUAY CORPORATION, INC.,)	Chapter 11
)	Judge Schmetterer
Debtor/Debtor-in-Possession.)	Hearing: 10/16/07 @ 10:00 a.m.

NOTICE OF MOTION

TO: See Attached Service List

PLEASE TAKE NOTICE that on the 16th day of October, 2007, at the hour of 10:00 a.m., or as soon thereafter as counsel can be heard, I shall appear before the Honorable Jack B. Schmetterer, Bankruptcy Judge, in room 682 of the United States Bankruptcy Court in the Everett McKinley Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois, or before any other Judge who may be sitting in his place and stead and shall present the **Motion for Allowance of Final Compensation and Reimbursement of Expenses to Debtor's Counsel**, a copy of which is attached hereto and herewith served upon you, and shall pray for the entry of an Order in compliance therewith.

AT WHICH TIME and place you may appear if you so see fit.

/s/David K. Welch
Crane, Heyman, Simon, Welch & Clar
135 S. LaSalle St., Suite 3705
Chicago, Illinois 60603
(312) 641-6777

CERTIFICATE OF SERVICE

The undersigned, being first duly sworn on oath deposes and states that a copy of the foregoing Notice and Motion was caused to be served via First Class Mail properly addressed and postage prepaid to all parties with and asterisk (*) and a copy of the Notice regarding the fee hearing was served upon all parties on the attached service list, on the 7th day of September, 2007, before the hour of 5:00 p.m.

/s/David K. Welch

SERVICE LIST

United States Trustee*
227 W. Monroe, #3350
Chicago, IL 60603

James M. McArdle, Esq.*
Scott & Kraus LLC
150 S. Wacker Dr., #2900
Chicago, IL 60606

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Figliulo & Silverman, P.C.
10 S. LaSalle St., #3600
Chicago, IL 60603

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Scalambrino & Arnoff
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Chicago, IL 60602

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Barack Ferrazzano, et al.
200 W. Madison St., #3900
Chicago, IL 60606

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Gregory K. Stern, PC
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Chicago, IL 60604

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Goldstine Skrodzki Russian
Nemec and Hoff, Ltd.
835 McClintock Dr., 2nd Floor
Burr Ridge, IL 60527

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Adam P. Silverman, Esq.
Adelman & Gettleman, Ltd.
53 W. Jackson Blvd., #1050
Chicago, IL 60604

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Sonnenschein Nath & Rosenthal
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Chicago, IL 60606

Benjamin L. Schneider, Esq.*
Quarles & Brady, LLP
500 W. Madison St., #3700
Chicago, IL 60661

The Quay Corporation, Inc.*
Attn: Victor Cuellar
7101 N. Capital Drive
Lincolnwood, IL 60712

James Wilson, Esq.*
Shefsky & Froelich
111 E. Wacker Dr., #2800
Chicago, IL 60601

Michael Pakter*
Gould & Pakter Associates LLC
205 W. Wacker Dr., #918
Chicago, IL 60606

Air Services Company
108 Gateway Road
Bensenville, IL 60106

Allied Waste Services
PO Box 9001154
Louisville, KY 40290-1154

American Express
Box 0001
Los Angeles, CA 90096-0001

Arcadia Press, Inc.
10915 Franklin Ave.
Franklin Park, IL 60131

Arem Container
6153 W. Mulford
Niles, IL 60714

Arem Container & Supply Co.
6153 W. Mulford
Niles, IL 60714

Arlington Disposal
PO Box 916061
Fort Worth, TX 76191-6061

Assured Pest Control
2506 Royal Lytham Street
Saint Charles, IL 60174

Bell Flavors & Fragrances, Inc.
500 Academy Drive
Northbrook, IL 60062

Bell's Forklift Repair, Inc.
PO Box 396
Locust Grove, GA 30248

Buckeridge Door Co., Inc.
15 East University Drive
Arlington Heights, IL 60004-1871

Catalina Properties
19792 MacArthur Blvd., #265
Irvine, CA 92612

ChevronTexaco Corporation
6001 Bollinger Canyon Rd.
San Ramon, CA 94583

Chr. Hansen's Laboratory, Inc.
9015 West Maple St.
PO Box 14428
Milwaukee, WI 53214-4298

City of Alexander City
Business License
PO Box 552
Alexander City, AL 35011

City of Decatur
c/o SouthTrust Bank, Drawer 1121
PO BOX 830620
Birmingham, AL 35283-0620

Cole Taylor Bank
111 W. Washington, #400
Chicago, IL 60602

Concentra Medical Centers
200 Trade Port Blvd, #211
Atlanta, GA 30354

Conference Plus
2509 Paysphere Circle
Chicago, IL 60674

Consumers Vinegar
4723 S. Washtenaw
Chicago, IL 60632

Crave Bros. Farmstead Cheese
W11555 Torpy Road
Waterloo, WI 53594

Cryovac
PO Box 91279
Chicago, IL 60693

Hector Cuellar
c/o Quay Corp
19782 McArthur Blvd., #265
Irvine, CA 92612

D&G Trucking Company
463 S. Prospect Ave.
Roselle, IL 60172

Danisco Cultor USA Inc.
201 New Century Parkway
New Century, KS 66031

DeKalb County Georgia
Treasury & Accounting Services
PO Box 100001
Decatur, GA 30031-7001

DeKalb County Tax Commissioner
PO Box 10004
Decatur, GA 30031-7004

Garcia Foods, Inc.
PO Box 13280
1802 Jackson Keller
San Antonio, TX 78213-0280

Dependable Fire Equip., Inc.
60 LeBaron St
Waukegan, IL 60085-3025

Gelatin Desserts & Paletas
PO Box 4738
Houston, TX 77210-4738

Division Center
c/o JSC Realty Services Inc.
5440 Harvest Hill Rd., #101
Dallas, TX 75230

Goldthorn Sales & Marketing
1425 Knottingham Drive
Little Elm, TX 75068

E-Z Spuds
2223 Washington Street
Evanston, IL 60202

Great Lakes Milk Products, Inc.
3000 West North Avenue
Melrose Park, IL 60160

El Carmen Imports
1620 N. Kolamr Ave
Chicago, IL 60639

H&B Packaging
702 Forrest
Waco, TX 76704

El Superior Chorizos, LLC
233 S. Erie St, #400
Chicago, IL 60611

Hector Cuellar
10 Morning Light
Newport Coast, CA

El Superior Mexican Foods
920 W. Fulton St.
Chicago, IL 60607

Houston Produce Center
3114 Produce Row
Houston, TX 77023

Elite Waste Industries
PO Box 38319
Houston, TX 77238

Houston Produce Center
Buys 1-3, Building D
Houston, TX

Evans Food Products
4118 S. Halsted Street
Chicago, IL 60609-2694

Idealease of Atlanta
4571 Buford Hwy
Norcross, GA 30071

Federal Express
Lockbox 360353, Room 154-0455
500 Ross Street
Pittsburgh, PA 15262

Import & Export del Sur, Inc.
2532 W. Warren Blvd.
Chicago, IL 60612

Flavorchem
1525 Brook Drive
Downers Grove, IL 60515

Instant Whip Foods
1535 North Cicero Ave.
Chicago, IL 60651

InterCall
PO Box 281866
Atlanta, GA 30384-1866

MCI WorldCom
PO Box 856059
Louisville, KY 40285-6059

J Bar B Foods
100 Main
Waelder, TX 78959

McMaster-Carr Supply Co.
PO Box 7690
Chicago, IL 60680-7690

Johnstone Supply
6401 Chestnut Street
Louisburg, KS 66053

Mexican Cheese Producers
1625 10th Street, Suite 205
Monroe, WI 53566

Katalina Enterprises
19782 McArthur Blvd., #265
Irvine, CA 92612

Nextec Operating Corp.
3415 S. Sepulveda Blvd., Suite 130
Los Angeles, CA 90034

La Flor de Jalisco
Mr. Roberto Ramirez
4935 W. Fullerton Ave.
Chicago, IL 60639

NICOR Gas
Attn: Paul C. Gracey, Jr., Esq.
1844 Ferry Rd
Naperville, IL 60563

Label Tek, Inc.
1217 S. Bridge Street
Yorkville, IL 60560

Nicor Gas
PO Box 416
Aurora, IL 60568-0001

Laser Network, Inc.
8 Horizon Ave.
Venice, CA 90291

Novation
2 N. 8th Street - Suite 100
PO Box 161114
Manitowoc, WI 54221-1614

Lease Dimensions
PO Box 74186
Cleveland, OH 44194-4186

NT Logistics
5204 Tennyson Pkwy, #200
Plano, TX 75024

Lifeway Food, Inc.
6431 W. Oakton Street
Morton Grove, IL 60053

Office Depot
Dept 56-4200995933
Columbus, OH 43218-2378

Mahoney Environmental
2202 Mound Road
Joliet, IL 60436

Onyx Waste Services, Inc.
2800 Shermer Road
Northbrook, IL 60062

Martinez Imports
4417 W. 55th St., Apt. 3B
Chicago, IL 60632

Packaging Technologies
807 West Kimberly Road
Davenport, IA 52806

Paragon Manufacturing, Inc.
2001 N. 15th Avenue
Melrose Park, IL 60160

Sprint PCS
PO Box 219718
Kansas City, MO 64121-9718

Phil-Mart Transportation
PO Box 157
31 Harrison Street
Braselton, GA 30517

St. Charles Trading
650 N. Raddanta Road
Batavia, IL 60510

Poly Plastics, Inc.
1751 S. Interstate 45
PO Box 402
Ferris, TX 75125

Stallings
2314 Portsmouth
Houston, TX 77098

Preferred Transit, Inc.
PO Box 199
Monroe, WI 53566

STAMAR Packaging Inc.
1415 Enterprise Drive
Romeoville, IL 60446

Productos Mama Lycha
4442 W. 12th Street
Houston, TX 77055

State of Illinois Boiler Safety
1035 Stevenson Drive
Springfield, IL 62703-4599

Quality Snack Foods, Inc.
404 S. Normal Ave.
Chicago, IL 60609

State of Illinois-Boiler Safey
1035 Stevenson Drive
Springfield, IL 62703-4599

Quill Corporation
100 Schelter Rd
Lincolnshire, IL 60069

Superior Knife Inc.
8120 N. Central Park Ave.
Skokie, IL 60076

Reisner Packaging Inc.
339 W. River Road
Building A, Suite B
Elgin, IL 60123

Superior Packaging, Inc.
2810 Panorama Drive
Carrollton, TX 75007

Robert Rosa
10850 Cortland Ln
Huntley, IL 60142

Tampico Graphics
1919 South Blue Island Avenue
Chicago, IL 60608

San Antonio Packing Company
1922 S. Laredo
San Antonio, TX 78207

Terminix International
PO Box 870849
Stone Mountain, GA 30087-0022

South Water Market, Inc.
2525 South Blue Island Ave
Chicago, IL 60608

Texaco
PO Box 9010
Des Moines, IA 50368-9010

Texas Chili Company
3013 N. Jones
Fort Worth, TX 76164

Wisconsin Cheese Group
36909 Treasury Center
Chicago, IL 60694-6900

Torkelson Cheese Co.
Hwy 73 North
9453 Louisa Rod
Lombard, IL 60148

XO Communications Services
PO Box 5738
Carol Stream, IL 60197-5738

Torkelson's Prairie Hill
N398 Twin Grove Road
Monroe, WI 53566

Zep Manufacturing
13237 Collections Center Drive
Chicago, IL 60693

U.S. Department of Agriculture
Food Safety & Insp. Service
21526 Network Place
Chicago, IL 60673-1215

Urschel Laboratories, Inc.
PO Box 96319
Chicago, IL 60693-6319

Victor Cuellar
c/o The Quay Corp.
7201 N. Capital Drive
Lincolnwood, IL 60712

Village of Skokie
5127 Oakton St
Skokie, IL 60077

W & W Dairy, Inc.
c/o Dave W
405-18th Avenue
Monroe, WI 53566

Welding Apparatus Co., Inc.
1668 N. ada St.
Chicago, IL 60622

Wilshire Country Club
301 N. Rossmore Ave.
Los Angeles, CA 90004

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)	
THE QUAY CORPORATION, INC.,)	Case No. 05-63146
)	Chapter 11
Debtor/Debtor-in-Possession.)	Judge Schmetterer
)	Hearing: 10/16/07 @ 10:00 a.m.

**NOTICE OF HEARING ON REQUESTS FOR ALLOWANCES
OF FINAL COMPENSATION AND REIMBURSEMENT
OF EXPENSES TO VARIOUS PROFESSIONALS**

PLEASE TAKE NOTICE that the following professionals are seeking the allowance of final compensation and reimbursement of expenses in the above-captioned Chapter 11 case ("Fee Requests").

<u>PROFESSIONAL</u>	<u>PERIOD COVERED</u>	<u>FEES REQUESTED</u>	<u>EXPENSES REQUESTED</u>
David K. Welch, Esq. Crane, Heyman, Simon, Welch & Clar, Debtor's Counsel	2/1/07- 7/17/07	\$102,676.00	\$9,502.81
Bruce Scalambrino, Esq. Scalambrino & Arnoff, LLP, Official Unsecured Creditors' Committee's Counsel	1/1/07 - 7/31/07	\$63,840.50	\$2,119.02
Mark G. Kucik The Kucik Valuation Group, LLC, Financial Advisor to the Official Unsecured Creditors' Committee	7/1/06 - 1/31/07	\$2,375.00	-0-
James Wilson ¹ Shefsky & Froelich Debtor's Special Counsel	11/1/06 - 4/30/07	\$472,825.00	\$39,269.30
Michael Pakter ² Gould & Pakter Associates LLC Debtor's Expert Witness	12/06 - 3/31/07	\$149,626.00	-0-

¹ Debtor's Special Counsel has agreed to limit their fees and expenses to the total sum of \$300,000.00.

² Debtor's Expert Witness has agreed to limit their fees to the total sum of \$100,000.00.

PLEASE TAKE FURTHER NOTICE that a hearing on the Fee Requests will be held before the Honorable Jack B. Schmetterer, courtroom 682, 219 S. Dearborn, Chicago, Illinois 60604 on October 16, 2007, at 10:00 a.m. Copies of the Fee Requests will be available at the Office of the Clerk of the Bankruptcy Court, 219 S. Dearborn, Chicago, Illinois 60604, or from the professionals making the Fee Requests.

Objections, if any, shall be in writing and filed with the Clerk of the Bankruptcy Court, 219 S. Dearborn, Chicago, Illinois 60604 by the close of business on October 11, 2007. Copies of such objections shall be served upon the following persons in accordance with the applicable provisions of the Federal Rules of Bankruptcy Procedure:

U. S. Trustee
227 W. Monroe, #3350
Chicago, IL 60606

David K. Welch, Esq.
Crane, Heyman, Simon, Welch & Clar
135 S. LaSalle, #3705
Chicago, IL 60603

Bruce Scalabrino, Esq.
Scalabrino & Arnoff, LLP
33 N. LaSalle St., #1210
Chicago, IL 60602

Dated: September 7, 2007

DEBTOR'S COUNSEL:

DAVID K. WELCH, ESQ.

(Atty. No. 06183621)

ARTHUR G. SIMON, ESQ.

(Atty. No. 03124481)

JEFFREY C. DAN, ESQ.

(Atty. No. 06242750)

CRANE, HEYMAN, SIMON, WELCH & CLAR

135 S. LaSalle St., Suite 3705

Chicago, IL 60603

(312) 641-6777

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)
THE QUAY CORPORATION, INC.,) Case No. 05-63146
Debtor/Debtor-in-Possession.) Chapter 11
Judge Schmetterer
Hearing: 10/16/07 @ 10:00 a.m.

**COVER SHEET FOR APPLICATION FOR
PROFESSIONAL COMPENSATION**

Name of Applicant: CRANE, HEYMAN, SIMON, WELCH & CLAR, Debtor's Counsel

Authorized to Provide
Professional Services to: Debtor

Date of Order
Authorizing Employment: October 27, 2005

Period for Which Compensation
is Sought: From: February 1, 2007 through July 17, 2007

Amount of Fees Sought: \$102,676.00

Amount of Expense
Reimbursement Sought: \$9,502.81

This is a(n): Interim Application Final Application X
If this is not the first Application filed herein by this professional, disclose as to all prior
fee applications:

Date Filed	Period Covered	Total Requested (Fees and Expenses)	Total Allowed
	10/13/05 - 2/14/06	\$84,803.23	\$84,803.23
	2/15/06 - 6/30/06	\$58,842.09	\$58,842.09
	7/1/06 - 1/31/07	\$143,010.60	\$143,010.60

The aggregate amount of fees and expenses paid to the Applicant to date for services rendered and
expenses herein is: \$286,655.92

Date: September 7, 2007 Applicant: David K. Welch and the firm
Crane, Heyman, Simon, Welch & Clar

By: /s/David K. Welch
Debtor's Counsel

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)	
)	Case No. 05-63146
THE QUAY CORPORATION, INC.,)	Chapter 11
)	Judge Schmetterer
Debtor/Debtor-in-Possession.)	Hearing: 10/16/07 @ 10:00 a.m.

**MOTION FOR ALLOWANCE OF FINAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES TO DEBTOR'S COUNSEL**

DAVID K. WELCH and the law firm of CRANE, HEYMAN, SIMON, WELCH & CLAR ("CHSWC"), Counsel to The Quay Corporation, Inc., Debtor herein, make their motion pursuant to Section 330 of the Bankruptcy Code for allowance of final compensation and reimbursement of expenses for legal services rendered during this Chapter 11 case; and in support thereof, state as follows:

Introduction

1. On October 18, 2005, the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code.
2. The Debtor operated its business and managed its financial affairs as Debtor-in-Possession through confirmation of the Debtor's Second Amended Plan of Reorganization ("Plan"). No trustee or examiner was appointed to serve in this Chapter 11 case. However, an official committee of unsecured creditors ("Committee") was appointed and is actively represented by Counsel.
3. On October 27, 2005, this Court entered an Order authorizing the Debtor to retain CHSWC as its Counsel in this Chapter 11 case with compensation subject to the further Order of this Court. CHSWC has served continuously as Debtor's Counsel since the entry of the retention Order by this Court.

4. By this Motion, CHSWC requests an allowance of final compensation and reimbursement of expenses in the amounts of \$102,676.00 and \$9,502.81, respectively, for legal services rendered to the Debtor during the period February 1, 2007 through July 17, 2007. CHSWC has received three (3) prior allowances of interim compensation and reimbursement of expenses in the aggregate amount of \$286,655.92 ("Interim Allowances"). CHSWC received a pre-petition retainer in the amount of \$ 35,000.00 which was credited against the first allowance of interim compensation made by this Court. CHSWC also requests that this Court approve the Interim Allowances under Section 330 of the Bankruptcy Code. Itemizations of the legal services rendered and expenses incurred during the period February 1, 2007, through July 17, 2007, are attached to this Motion as **Exhibits A and B**, respectively.

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. Sections 157 and 1334. This matter is a "core" proceeding within the meaning of 28 U.S.C. Section 157(b)(2)(A), (O).

6. The statutory predicates for the relief requested in this Motion are Section 330 of the Bankruptcy Code and Rules 2002(a) and 2016(a) of the Federal Rules of Bankruptcy Procedure.

Relevant Factual Background

7. The Debtor is an Illinois corporation with leased facilities as of the filing of this Chapter 11 case in Lincolnwood, Illinois; Skokie, Illinois; Chicago, Illinois; Decatur, Georgia; Arlington, Texas; Houston, Texas and Irvine, California. The Debtor employs approximately fifty-five (55) employees, and is primarily engaged in business as a manufacturer and distributor of Mexican style food products. The Debtor's annual sales for calendar 2004 were approximately \$18,000,000.00. Sales have increased during the course of this Chapter 11 case.

8. As of June 30, 2005, the Debtor had gross accounts receivable valued at approximately \$1,470,000.00, equipment and machinery with a book value after depreciation of approximately \$338,000.00, and inventory valued at approximately \$1,000,000.00. Historically, the Debtor regularly maintains accounts receivable and inventory with combined aggregate values substantially similar to that which existed as of June 30, 2005.

9. Cole Taylor Bank ("Bank") asserts liens in the Debtor's cash collateral and other assets securing claims in the alleged aggregate amount of approximately \$186,000.00 ("Secured Claim"). The Secured Claim arises from an Irrevocable Standby Letter of Credit posted by the Debtor in favor of Torkelson's Prairie Hill Cheese Plant, Inc. ("Prairie Hill"). Shortly after the filing of this Chapter 11 case, Prairie Hill drew upon the Irrevocable Standby Letter of Credit thereby establishing the Secured Claim.

10. During the course of this Chapter 11 case, this Court has entered a series of Agreed Orders authorizing the Debtor's use of cash and cash equivalents that serve as collateral for the Secured Claim.

11. The Debtor and Mexican Cheese Producers, Inc. ("MCP") began litigating in the Circuit Court of Cook County, Illinois ("State Court") in 2003. MCP filed claims in this Chapter 11 case which aggregate in excess of \$5,500,000.00. The Debtor objected to these claims.

12. The Debtor considered and explored every possible exit strategy from this Chapter 11 case. The Debtor eventually elected to pursue a reorganization under existing ownership and management. The Debtor's original Plan of Reorganization and First Amended Plan of Reorganization provided for the payment of 100% of all allowed claims, including the allowed claims of MCP. MCP objected to these Plans of Reorganization on various grounds primarily relating to the Debtor's separate classification of MCP's claims

from those of other unsecured creditors. The Committee fully supported the Debtor's First Amended Plan of Reorganization.

13. After considering MCP's objections to confirmation, this Court commenced a combined hearing on the estimation of certain of MCP's claims, the objections to other claims of MCP and the feasibility of the Plan ("Feasibility/Estimation Hearing"). Both MCP and the Debtor retained expert witnesses with respect to the issues in this trial. The parties conducted extensive discovery in preparation for this 12 day trial which was scheduled to conclude in April 2007.

14. After the commencement of the Feasibility/Estimation Hearing, the Debtor, MCP and the Committee engaged in lengthy settlement negotiations which culminated in a global settlement among the parties that resolved all litigation matters and set the stage for confirmation of a consensual Plan of Reorganization.

15. The Plan, which also provides for the approval and implementation of this global settlement, provides for payment of all allowed claims in full with interest from the Debtor's existing cash resources and from a loan in the amount of \$1,500,000.00 to be made to the Debtor by Hector Cuellar, one of its shareholders.

16. Only one creditor; namely Wisconsin Cheese Co., objected to confirmation of the Plan. On July 17, 2007, this Court issued its Memorandum Opinion and Order overruling the objections to the Plan and settlement, confirming the Plan and approving the settlement.

17. As of the filing of this Motion, the proceeds of the loan from Hector Cuellar have been distributed by the Debtor to the holders of allowed claims as required by the Plan.

18. Other events have occurred during the course of this Chapter 11 case which are detailed later in this Motion.

**Final Compensation
and Expenses Requested**

19. CHSWC is a law firm whose practice is almost exclusively concentrated in the fields of bankruptcy and insolvency. CHSWC is comprised of five (5) members and one (1) associate, some of whom have participated in representing the Debtor in this bankruptcy case.

20. The following is biographical information pertaining to those attorneys who have been primarily involved in the representation of the Debtor. Other attorneys at CHSWC have also participated to a lesser extent in this Chapter 11 case. Each such attorney has significant experience and expertise in bankruptcy and litigation matters.

21. DAVID K. WELCH is a member of the law firm of Crane, Heyman, Simon, Welch & Clar and has been practicing law in the State of Illinois since 1982. His practice has always been primarily concentrated in the fields of bankruptcy, insolvency and debtor's and creditor's rights. He has represented debtors, trustees, creditors' committees, secured creditors, unsecured creditors and equity holders. From October, 1979, through June, 1982, he served as Deputy Chapter 13 Trustee in the Northern District of Illinois under Craig Phelps, Chapter 13 Trustee. He has authored articles for the Illinois Institute of Continuing Legal Education on matters involving bankruptcy and insolvency. He has lectured at seminars relating to bankruptcy issues at the Chicago Bar Association and the American Bankruptcy Institute as well as other legal and business organizations. He has served as a member of the Bankruptcy Mediation Panel Sub-Committee of the Chicago Bar Association which drafted the local mediation rules for the Bankruptcy Court in Chicago, Illinois. Furthermore, in conjunction with his financial mediation and negotiation training, he has completed a course sponsored by the National Institute for Trial Advocacy in conjunction with Northwestern University. He is a member of the Federal Trial Bar and is admitted to practice before the United States Court of Appeals for the Seventh Circuit. Mr. Welch is also admitted to practice in the United States District Courts for the Northern

District of Indiana, Central District of Illinois and Eastern District of Wisconsin. He is a member of several other bar associations and legal organizations. He was formerly a member of the Standing Committee of the Illinois State Bar Association on Liaison with the Attorney Registration and Disciplinary Commission. Mr. Welch is the former Chairman of the Chicago Bar Association Committee on Bankruptcy and Reorganization and is a former member of the Advisory Board of the American Bankruptcy Institute.

22. ARTHUR G. SIMON is a member of the law firm and has been practicing law in the State of Illinois since 1979. Beginning in 1981, he became engaged almost exclusively in the practice of bankruptcy and insolvency litigation and has represented virtually every type of party in such matters, including Chapter 7 and Chapter 11 debtors, secured creditors, landlords, trustees, and creditors' committees. His activities have included, among others, membership in the Chicago Bar Association Committee on Bankruptcy and Reorganizations and Illinois State Bar Association, Commercial, Banking and Bankruptcy Law Section Council. He formerly served as the Editor of the Committee on Bankruptcy Advance Sheets of the Chicago Bar Association. In that capacity, he reported the rulings and opinions of the Bankruptcy Judges in the Northern District of Illinois to the Bankruptcy Committee members of the Chicago Bar Association. He has also provided the same service in his role as a member of the Illinois State Bar Association Commercial, Banking and Bankruptcy Law Section Council. He is a former elected delegate to the Illinois State Bar Association assembly. Mr. Simon is a member of the Federal Trial Bar and is admitted to practice before the United States Court of Appeals for the Seventh Circuit.

23. JEFFREY C. DAN is an associate at Crane, Heyman, Simon, Welch & Clar and has been practicing law in the State of Illinois since 1997. He is a graduate of DePaul University School of Law. He has practiced as a trial attorney in a number of areas of the law including personal injury, domestic relations, criminal law and commercial litigation.

Mr. Dan joined the firm in September of 2002 and has been actively involved in all aspects of bankruptcy litigation as well as State Court litigation that arises in insolvency matters. Mr. Dan is also admitted to practice in the United States District Courts for the Eastern District of Wisconsin and Central District of Illinois.

24. The hourly rates usually charged by CHSWC in matters of this nature are as follows:

<u>Attorney</u>	<u>2007 Hourly Rate</u>
Eugene Crane (EC) ¹	\$410.00
Glenn R. Heyman (GRH)	\$410.00
Arthur G. Simon (AGS)	\$390.00
David K. Welch (DKW)	\$390.00
Scott R. Clar (SRC)	\$390.00
Jeffrey C. Dan (JCD)	\$290.00

25. The following is a chart that depicts the total hours that each attorney at CHSWC expended in representing the Debtor during the relevant period:

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
Eugene Crane	.8	\$ 328.00
Glenn R. Heyman	.7	287.00
Arthur G. Simon	1.9	741.00
David K. Welch	244.7	95,433.00
Jeffrey C. Dan	<u>20.3</u>	<u>5,807.00</u>
Total	268.4	\$102,676.00

26. During the course of the representation of the Debtor during the relevant period, CHSWC incurred expenses of \$9,502.81. These expenses are itemized on **Exhibit B** to this Motion.

¹ These are the abbreviations utilized in the Exhibits to this Motion.

Legal Services Rendered to the Debtor

27. The representation of the Debtor is categorized in this Motion as follows:

A. **General Administration**

The matters in this category include assisting the Debtor with the general administration of this bankruptcy case and the Debtor's business operations and financial affairs, filing routine motions and filing professionals' fee applications. Also included in this category are legal services related to responding to general creditor inquiries and assisting the Debtor with its monthly operating reports.

Total Time Expended **27.9 hours**

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch (DKW)	27.1	\$10,569.00
Eugene Crane (EC)	0.8	<u>328.00</u>
TOTAL	27.9	\$10,897.00

Attached to this Motion as **Exhibit C** is an itemization of the legal services rendered in this category.

B. **Cole Taylor/Cash Collateral**

As of the filing of this Chapter 11 case, the Bank was the Debtor's only secured creditor. The Bank is asserting a lien on all of the Debtor's assets to secure a claim in the present amount of approximately \$186,000.00. The Bank and the Debtor have routinely negotiated the terms and conditions of a series of consensual Cash Collateral Orders that have been entered by this Court. The Debtor has also successfully prosecuted an objection to the Bank's claim which concluded with the entry of a consensual Order by this Court.

Total Time Expended **6.9 hours**

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
Glenn R. Heyman (GRH)	.7	\$ 287.00
David K. Welch (DKW)	5.2	2,028.00
Jeffrey C. Dan (JCD)	1.0	<u>290.00</u>
TOTAL	6.9	\$2,605.00

Attached to this Motion as **Exhibit D** is an itemization of the legal services rendered in this category.

C. **Chapter 11 Exit Strategy**

CHSWC fully advised the Debtor of its options with respect to emerging from this Chapter 11 case. The Debtor discussed its options with the Committee and solicited the Committee's comments. After completely analyzing its options, the Debtor elected to file the Plan (within the exclusive period established by Orders of this Court). The Debtor also obtained extensions of its exclusive right to solicit acceptances of the Plan over the objections of MCP. Ultimately, in conjunction with the global settlement with MCP and the Committee, the Debtor was able to confirm the Plan over the objections of Wisconsin Cheese Co. The Debtor has already made distributions of \$1,500,000.00 to the holders of allowed claims pursuant to the Plan.

Total Time Expended **133.9 hours**

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch	122.4	\$47,736.00
Arthur G. Simon	1.9	741.00
Jeffrey C. Dan	9.6	<u>2,784.00</u>
TOTAL	133.9	\$51,261.00

Attached to this Motion as **Exhibit E** is an itemization of the legal services rendered in this category.

D. **Matters Involving MCP**

The Debtor had been litigating with MCP since 2003. MCP was asserting the largest single non-insider unsecured claim in this Chapter 11 case that aggregated approximately \$5,500,000.00. The Debtor objected to each of MCP's claims.

After commencement of the Feasibility/Estimation Hearing, the Debtor, MCP and the Committee were able to reach a global settlement of all matters in controversy. This herculean settlement effort culminated with the confirmation of the Plan.

Total Time Expended

93.8 hours

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch	89.8	\$35,022.00
Jeffrey C. Dan	4.0	<u>2,160.00</u>
TOTAL	93.8	\$36,182.00

Attached to this Motion as **Exhibit F** is an itemization of the legal services rendered in this category.

E. **Collection Action v. Customers**

Shortly before confirmation of the Plan, the Debtor commenced an adversary proceeding in this Court to collect certain amounts due for goods shipped to customers. This complaint is pending in this Court.

Total Time Expended

5.9 hours

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch	0.2	\$ 78.00
Jeffrey C. Dan	5.7	<u>1,653.00</u>
TOTAL	5.9	\$1,731.00

Attached to this Motion as **Exhibit G** is an itemization of the legal services rendered in this category.

Conclusion

28. Other than as provided in Section 504(b) of the Bankruptcy Code, CHSWC has not shared, nor agreed to share, any compensation received as a result of this case

with any person, firm or entity. The sole and exclusive source of compensation shall be funds of the Debtor.

29. CHSWC asserts that the compensation requested in this Motion is reasonable compensation for the actual and necessary legal services rendered based upon the time, nature, extent and value of such professional services. CHSWC further asserts that the cost of legal services rendered for and on behalf of the Debtor is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

30. CHSWC asserts that the expenses for which reimbursement is sought in this Motion are reasonable and were actual and necessary expenditures required in the representation of the Debtor.

31. CHSWC submits that the compensation and expenses requested are fair, reasonable and warranted under the circumstances.

32. CHSWC also requests that this Court allow the Interim Allowances under Section 330 of the Bankruptcy Code.

WHEREFORE, DAVID K. WELCH and the law firm of CRANE, HEYMAN, SIMON, WELCH & CLAR, Debtor's Counsel, pray for the entry of an Order allowing final compensation and reimbursement of expenses in the amounts of \$102,676.00 and \$9,502.81, respectively; allowing the Interim Allowances under Section 330 of the Bankruptcy Code; and granting such other relief as may be just and appropriate.

Respectfully Submitted,

DAVID K. WELCH, and the law firm of CRANE,
HEYMAN, SIMON, WELCH & CLAR

By: /s/David K. Welch

DEBTOR'S COUNSEL:

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